



General Assembly

February Session, 2008

Raised Bill No. 490

LCO No. 2428

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Referred to Committee on Insurance and Real Estate

Introduced by:
(INS)

AN ACT CONCERNING TIME SHARES AND INTERSTATE LAND SALES.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective October 1, 2008*) Sections 1 to 30,
2 inclusive, of this act shall be known and may be cited as the
3 "Connecticut Time Share Act".

4 Sec. 2. (NEW) (*Effective October 1, 2008*) As used in sections 1 to 30,
5 inclusive, of this act:

6 (1) "Accommodation" means any apartment, condominium or
7 cooperative unit, cabin, lodge, hotel or motel room, or any other
8 private or commercial structure that: (A) Is affixed to real property; (B)
9 is designed for occupancy or use by one or more individuals; and (C) is
10 part of a time share plan.

11 (2) "Advertisement" means any written, oral or electronic
12 communication directed or targeted at individuals in this state that
13 contains a promotion, inducement or offer to sell a time share interest,
14 including, but not limited to, brochures, pamphlets, radio or television

15 transcripts, telephone or electronic media or direct mail.

16 (3) "Amenities" means all common areas, including recreational and
17 maintenance facilities of a time share plan.

18 (4) "Assessment" means the amount assessed against or collected
19 from a purchaser by an association or its managing entity in a fiscal
20 year to cover expenditures, charges, reserves or liabilities related to the
21 operation of a time share plan or time share properties managed by
22 said managing entity.

23 (5) "Association" means a council or association composed of all
24 owners of a time share interest.

25 (6) "Bonus time" means a program for the nonguaranteed use of
26 accommodations or amenities at one or more time share properties
27 under common management that allows reservations by owners of the
28 time share properties for unreserved accommodations or amenities
29 during a period of not more than thirty days before the desired
30 reservation dates.

31 (7) "Closing agent" means a title agent, bonded escrow company,
32 financial institution whose accounts are insured by a governmental
33 agency or instrumentality, or an attorney admitted to the bar of the
34 state in which the closing occurs and such attorney is not an employee
35 of the developer or of an affiliated entity under common ownership
36 and control of the developer and who is responsible for the receipt and
37 disbursement of funds in accordance with sections 1 to 30, inclusive, of
38 this act.

39 (8) "Commissioner" means the Commissioner of Consumer
40 Protection.

41 (9) "Component site" means a specific geographic location where
42 accommodations that are part of a multisite time share plan are
43 located. Separate phases of a single time share property in a specific
44 geographic location and under common management shall be deemed

45 a single component site.

46 (10) "Conspicuous type" means: (A) Type in upper and lower case
47 letters two point sizes larger than the largest nonconspicuous type,
48 exclusive of headings, on the page on which it appears, but not less
49 than ten-point type; or (B) where the use of ten-point type would be
50 impractical or impossible with respect to a particular piece of written
51 advertising material, a different style of type or print may be used, as
52 long as the print remains conspicuous under the circumstances. Where
53 conspicuous type is required, it shall be separated on all sides from
54 other type and print. Conspicuous type shall be used in purchase
55 contracts, time share disclosure statements and exchange company
56 disclosure statements only where required by law or as authorized by
57 the commissioner.

58 (11) "Department" means the Department of Consumer Protection.

59 (12) "Developer" means: (A) Any person, excluding a sales agent,
60 who creates a time share plan, is in the business of selling time share
61 interests or employs a sales agent to sell time share interests; or (B) any
62 person who succeeds in the developer's interest by sale, lease,
63 assignment, mortgage or other transfer if such person (i) offers not less
64 than twelve time share interests in a particular time share plan, and (ii)
65 is in the business of selling time share interests or employs a sales
66 agent to sell time share interests.

67 (13) "Dispose" or "disposition" means a voluntary transfer of any
68 legal or equitable time share interest, but does not include the transfer
69 or release of a real estate lien or of a security interest.

70 (14) "Exchange company" means any person who owns or operates
71 an exchange program.

72 (15) "Exchange disclosure statement" means a written statement that
73 includes the information required by section 12 of this act.

74 (16) "Exchange program" means any method, arrangement or

75 procedure for the voluntary exchange of time share interests among
76 purchasers or owners.

77 (17) "Managing entity" means the association or person responsible
78 for operating and maintaining a time share property.

79 (18) "Multisite time share plan" means a plan in which a time share
80 purchaser has:

81 (A) A specific time share interest, which is the right to use and
82 occupy accommodations at a specific time share property and the right
83 to use and occupy accommodations at one or more other component
84 sites created by or acquired solely through the reservation system of
85 the time share plan; or

86 (B) A nonspecific time share interest, which is the right to use and
87 occupy accommodations at more than one component site created by
88 or acquired solely through the reservation system of the time share
89 plan but which does not include a right to use and occupy a particular
90 accommodation.

91 (19) "Offering" or "offer" means any advertisement, inducement or
92 solicitation and any attempt to encourage a person to purchase a time
93 share interest other than as a security for an obligation.

94 (20) "Project instrument" means a time share instrument or one or
95 more recordable documents, by whatever name denominated,
96 applying to the whole of a time share project and containing
97 restrictions or covenants regulating the use, occupancy or disposition
98 of units in a project, including a declaration for a condominium,
99 association articles of incorporation, association bylaws and rules for a
100 condominium in which a time share plan is created.

101 (21) "Promotion" means any program, activity, contest, or gift, prize
102 or other item of value used to induce any person to attend a time share
103 sales presentation.

104 (22) "Purchaser" means any person, other than a developer, who
105 acquires a legal or equitable interest in a time share by means of a
106 voluntary transfer other than as a security for an obligation.

107 (23) "Reservation system" means the method, arrangement or
108 procedure by which a purchaser, in order to reserve the use and
109 occupancy of an accommodation of a multisite time share plan for one
110 or more time share periods, is required to compete with other
111 purchasers in the same multisite time share plan, regardless of whether
112 the reservation system is operated and maintained by the multisite
113 time share plan, a managing entity, exchange company or any other
114 person. If a purchaser is required to use an exchange program as the
115 purchaser's principal means of obtaining the right to use and occupy
116 the accommodations and facilities of the plan, such arrangement is
117 considered a reservation system. If the exchange company uses a
118 mechanism to exchange time share periods among members of the
119 exchange program, the use of the mechanism is not considered a
120 reservation system of a multisite time share plan.

121 (24) "Single-site time share plan" means a time share plan in which a
122 time share purchaser's right to use and occupy accommodations is
123 limited to a single time share property. A single-site time share plan
124 that includes bonus time or a program under which the owner of a
125 time share interest at a specific time share property may exchange a
126 time share period for another time share period at the same or another
127 time share property under common management shall not transform
128 the single-site time share plan into a multisite time share plan.

129 (25) "Time share disclosure statement" means a written statement
130 that includes the information required by section 11 of this act.

131 (26) "Time share estate" means an arrangement under which the
132 purchaser receives a right to occupy a time share property and an
133 estate interest in the real property.

134 (27) "Time share interest" means a time share estate or time share

135 use.

136 (28) "Time share instrument" means a master deed, master lease,
137 declaration or any other instrument used in the creation of a time share
138 plan.

139 (29) "Time share period" means the period of time within which the
140 purchaser of a time share interest is entitled to the exclusive
141 possession, occupancy and use of an accommodation.

142 (30) "Time share plan" means any arrangement, plan, scheme or
143 similar method, excluding an exchange program but including a
144 membership agreement, sale, lease, deed, license or right-to-use
145 agreement, by which a purchaser, in exchange for consideration,
146 receives an ownership right in or the right to use accommodations for
147 a period of time not greater than a year during a given year, but not
148 necessarily consecutive years, regardless of whether the period of time
149 is determined in advance.

150 (31) "Time share property" means: (A) One or more
151 accommodations and any related amenities subject to the same time
152 share instrument; and (B) any other property or property rights
153 appurtenant to such accommodations and amenities.

154 (32) "Time share unit" means an accommodation of a time share
155 plan which is divided into time share periods. Any time share unit in
156 which a door or doors connecting two or more separate rooms are
157 capable of being locked to create two or more private dwellings shall
158 only constitute one time share unit for purposes of sections 1 to 30,
159 inclusive, of this act, unless the time share instrument provides that
160 time share interests may be separately conveyed in such locked-off
161 portions.

162 (33) "Time share use" means any arrangement under which the
163 purchaser receives a right to occupy a time share property, but under
164 which the purchaser does not receive an estate interest in the time

165 share property.

166 (34) "Time share resale" means the sale or transfer of a time share
167 interest that was previously sold to a purchaser.

168 (35) "Time share resale broker" means a person who acts for another
169 person or entity and for a fee, commission or other valuable
170 consideration, offers in this state to advertise, list for sale, sell,
171 exchange, buy or rent or offers or attempts to negotiate a sale,
172 exchange, purchase or rental of twelve or more time share resales, or
173 who is registered as a time share resale broker pursuant to the
174 provisions of sections 1 to 30, inclusive, of this act.

175 Sec. 3. (NEW) (*Effective October 1, 2008*) (a) This chapter shall apply
176 to the following:

177 (1) Time share plans with accommodations or amenities in this state;

178 (2) Time share plans without accommodations or amenities in this
179 state, if those time share plans are sold or offered to be sold to any
180 individual located within this state. Time share plans without
181 accommodations or amenities in this state that are sold or offered to
182 any individual located within this state are subject only to sections 2 to
183 4, inclusive, subsection (d) of section 6 to section 23, inclusive, and
184 sections 27 and 28 of this act; and

185 (3) Exchange programs as specified in subdivision (16) of section 2
186 of this act.

187 (b) Sections 1 to 30, inclusive, of this act shall not apply to the
188 offering of sale of the following:

189 (1) Time share plans, whether or not an accommodation is located in
190 this state, consisting of seven or fewer time share interests. Use of an
191 exchange program by owners of time share interests to secure access to
192 other accommodations shall not affect this exemption;

193 (2) Time share plans, whether or not an accommodation is located in
194 this state, the use of which extends over any period of three years or
195 less; or

196 (3) A time share interest, whether or not an accommodation is
197 located in this state, under which the prospective purchaser's total
198 financial obligation will be equal to or less than three thousand dollars
199 during the term of ownership of the time share interest.

200 (c) An offering or disposition is exempt from the provisions of this
201 section 1 to 30, inclusive, of this act if it is:

202 (1) A gratuitous offering or disposition of a time share interest;

203 (2) A disposition pursuant to a court order;

204 (3) A disposition by a governmental agency;

205 (4) A disposition by foreclosure or deed in lieu of foreclosure;

206 (5) An offering or disposition by an association of its own time share
207 interest acquired through foreclosure, deed in lieu of foreclosure or
208 gratuitous transfer;

209 (6) An offering or disposition of all time share interests in a time
210 share plan to not more than five persons;

211 (7) An offering or disposition of a time share interest in a time share
212 property situated wholly outside this state under a contract executed
213 wholly outside this state, if there has been no offering to the purchaser
214 within this state;

215 (8) An offering or disposition of a time share interest to a purchaser
216 who is not a resident of this state under a contract executed wholly
217 outside this state, if there has been no offering to the purchaser within
218 this state;

219 (9) The offering or redispotion of a time share interest by a

220 purchaser who acquired the interest for the purchaser's personal use;
221 or

222 (10) The offering or disposition of a rental of an accommodation for
223 a period of three years or less.

224 (d) An offering or disposition of a time share interest in a time share
225 property located outside of this state to a purchaser who currently
226 owns a time share interest from the same developer or from an
227 affiliated entity under common ownership and control with the
228 developer is exempt from the provisions of sections 1 to 30, inclusive,
229 of this act if:

230 (1) The developer or affiliated entity has a time share plan currently
231 registered with the department, which was originally approved not
232 later than seven years from the date of the offer or disposition; and

233 (2) The developer or affiliated entity making such offer or
234 disposition:

235 (A) Complies in all material respects with the provisions of section
236 10, subsections (c) and (d) of section 14, section 15, subdivision (2) of
237 subsection (a) to subsection (d), inclusive, of section 18 of this act;

238 (B) Provides the purchaser with all time share disclosure documents
239 required to be provided to purchasers as if the offer or disposition
240 occurred in the state or jurisdiction where the time share property is
241 located;

242 (C) The contract for purchase includes a notice the same as or
243 substantially similar to that required in subsection (a) of section 15 of
244 this act and a right of rescission of not less than five days;

245 (D) Provides the purchaser, either in the disclosure documents
246 provided pursuant to this subdivision or in supplementary or
247 additional materials, all of the following if the state or jurisdiction
248 where the time share property is located does not require such

249 disclosure documents:

250 (i) A description of the type of time share plan offered, including the
251 duration and operation of the plan;

252 (ii) A description of the existing or proposed accommodations and
253 amenities, including the type and number or time share interests in the
254 accommodations expressed in use increments applicable to the time
255 share plan, a categorization of numbers of bedrooms for each
256 accommodations and, if the accommodations or amenities are
257 proposed or incomplete, a schedule for commencement, completion
258 and availability of the accommodations;

259 (iii) A description of the method and timing for performing
260 maintenance on the accommodations;

261 (iv) Copies of the declaration, association articles of incorporation,
262 association bylaws and association rules and regulations, if applicable;
263 and

264 (v) The current annual budget for the time share plan.

265 (3) By making any offering or disposition pursuant to this
266 subsection, the developer is deemed to consent to the jurisdiction of
267 the department in the event of a dispute with the purchaser in
268 connection with the offering or disposition.

269 Sec. 4. (NEW) (*Effective October 1, 2008*) (a) The following
270 communications are not advertisements under sections 1 to 30,
271 inclusive, of this act:

272 (1) Any stockholder communication, including an annual report or
273 interim financial report, proxy material, registration statement,
274 securities prospectus, time share disclosure statement or other material
275 required to be delivered to a prospective purchaser by a state or
276 federal governmental entity;

277 (2) Any oral or written statement disseminated by a developer to
278 broadcast or print media, except the following shall be considered an
279 advertisement: (A) Paid advertising or promotional material relating to
280 plans for acquiring or developing time share property; and (B) the
281 rebroadcast or other dissemination of any oral statements by a
282 developer to a prospective purchaser or the distribution or other
283 dissemination of written statements, including newspaper or magazine
284 articles or press releases, by a developer to prospective purchasers;

285 (3) The offering of a time share interest in a national publication or
286 by electronic media that is not specifically targeted to any individual
287 located in this state;

288 (4) Any audio, written or visual publication or material relating to
289 the availability of any accommodations for transient rental if (A) a
290 sales presentation is not a term or condition of the availability of the
291 accommodations, and (B) the failure of the transient renter to take a
292 tour of the time share property or attend a sales presentation does not
293 result in a reduction in the level of services or an increase in the rental
294 price that would otherwise be available to the renter; or

295 (5) Any follow-up communication with a person relating to a
296 promotion if the person previously received an advertisement relating
297 to the promotion that complied with section 10 of this act.

298 (b) The following communications are exempt from sections 1 to 30,
299 inclusive, of this act if they are delivered to a person who has
300 previously executed a contract for the purchase of, or is an owner of, a
301 time share interest in a time share plan:

302 (1) Any communication addressed to and relating to the account of
303 the person; or

304 (2) Any audio, written or visual publication or material relating to
305 an exchange company or program if the person is a member of that
306 exchange company or program.

307 Sec. 5. (NEW) (*Effective October 1, 2008*) (a) The developer of a time
308 share plan any part of which is located in this state shall properly
309 record the time share instrument in the land records of all towns where
310 an accommodation is located. When a person expressly declares an
311 intent to subject the property to a time share plan through the
312 recordation of a time share instrument that sets forth the information
313 provided in subsections (b) and (c) of this section, that property shall
314 be established thenceforth as a time share plan.

315 (b) The declaration made in a time share instrument recorded under
316 this section shall include:

317 (1) A legal description of the time share property, including a
318 ground plan indicating the location of each existing or proposed
319 building included in the time share plan;

320 (2) A description of each existing or proposed accommodation,
321 including the location and square footage of each unit and an interior
322 floor plan of each existing or proposed building;

323 (3) A description of any amenities furnished or to be furnished to
324 the purchaser;

325 (4) A statement of the fractional or percentage part that each time
326 share interest bears to the entire time share plan;

327 (5) A statement that the time share property is part of a multisite
328 time share plan, if applicable; and

329 (6) Any additional information consistent with this section.

330 (c) Any time share interest created under this section shall be
331 deemed to be real estate, but an exchange company shall not be subject
332 to the provisions of section 20-312 of the general statutes when
333 exchanging time share periods.

334 Sec. 6. (NEW) (*Effective October 1, 2008*) (a) Once a property is

335 established as a time share plan, each time share interest may be
336 individually conveyed or encumbered and shall be entirely
337 independent of all other time share interests in the same time share
338 property. Any title or interest in a time share interest may be recorded.

339 (b) Any time share interest may be jointly or commonly owned by
340 more than one person.

341 (c) A time share estate may be jointly or commonly owned in the
342 same manner as any other real property interest in this state.

343 (d) An action for partition of a time share interest shall not be
344 maintained during the term of a time share plan.

345 Sec. 7. (NEW) (*Effective October 1, 2008*) (a) Except as provided by
346 subsection (b) of this section or another provision of sections 1 to 30,
347 inclusive, of this act, a person may not offer or dispose of a time share
348 interest unless such time share plan is registered with the department.

349 (b) Before a registration application for a time share plan is
350 submitted or completed, a developer or any person acting on the
351 developer's behalf may accept a reservation and a deposit from a
352 prospective purchaser if the deposit is placed in an escrow account
353 with a closing agent and if the deposit is fully refundable at any time at
354 the request of the purchaser. The deposit shall not be forfeited unless
355 the purchaser affirmatively creates a binding obligation by a
356 subsequent written instrument consisting of a binding contract to
357 purchase, in which case the release of funds shall be governed by
358 subsections (a) to (n), inclusive, of section 17 of this act.

359 (c) A developer or any person acting on the developer's behalf may
360 not offer or dispose of a time share interest during any period within
361 which there is in effect an order by the commissioner or by any court
362 of competent jurisdiction revoking or suspending the registration of
363 the time share plan of which such time share interest is a part.

364 (d) At the developer's request, the department may authorize the

365 developer to conduct presales before a time share plan is registered if
366 the registration application is administratively complete, as
367 determined by the commissioner or as established by department
368 regulations. The authorization for presales shall permit the developer
369 to offer and dispose of time share interests during the period the
370 registration application is in process. To obtain a presales
371 authorization, the developer shall:

372 (1) Submit a written request to the department for an authorization
373 to conduct presales;

374 (2) Submit an administratively complete application for registration,
375 including an application fee of three hundred dollars and any exhibits
376 required by the department; and

377 (3) Provide evidence acceptable to the department that all funds
378 received by the developer will be placed with a closing agent with
379 instructions requiring the funds to be retained until a registration
380 application is complete as determined by the department.

381 (e) After the final time share disclosure statement is approved by the
382 commissioner, the developer shall:

383 (1) Give each purchaser and prospective purchaser a copy of the
384 final time share disclosure statement; and

385 (2) Provide the purchaser with a second opportunity to cancel the
386 purchase contract, as provided in subsections (c) and (d) of section 14
387 of this act, if the commissioner determines that a materially adverse
388 change exists between the disclosures contained in the proposed time
389 share disclosure statement and the final time share disclosure
390 statement.

391 (f) The requirements of sections 1 to 30, inclusive, of this act shall
392 remain in effect during the period the developer offers or disposes of
393 time share interests of the time share plan registered with the
394 department. The developer shall notify the department in writing

395 when all of the time share interests of a time share plan have been
396 disposed of.

397 Sec. 8. (NEW) (*Effective October 1, 2008*) (a) An application for
398 registration filed under this section shall include a time share
399 disclosure statement required by section 11 of this act and any
400 exchange disclosure statement required by section 12 of this act,
401 recorded copies of all time share instruments and other information as
402 may be required by the commissioner. If the time share property is a
403 newly developed property, recorded copies of the time share
404 instruments shall be provided promptly after recorded copies are
405 available from the entity with which the instruments are recorded.

406 (b) If existing or proposed accommodations are in a condominium
407 or similar development, the application for registration shall contain
408 the project condominium instruments of that development and
409 affirmatively indicate that the creation and disposition of time share
410 interests are not prohibited by those instruments. If the project
411 instruments do not expressly authorize the creation and disposition of
412 time share interests, the application shall contain evidence that existing
413 owners of the condominium development were provided written
414 notice not later than sixty days before the application for registration
415 that time share interests would be created and sold. If the project
416 instruments prohibit the creation or disposition of time share interests,
417 the application shall contain a certification by the authorized
418 representative of all existing owners that the project instruments have
419 been properly amended to permit such creation and disposition.

420 (c) The commissioner may accept an abbreviated registration
421 application from a developer of a time share plan for any
422 accommodations in the plan that are located outside this state.

423 (d) A developer of a time share plan with any accommodation
424 located in this state shall not file an abbreviated application unless:

425 (1) The developer is a (A) successor in interest after a merger or

426 acquisition, or (B) joint venture in which the previous developer or its
427 affiliate is a partner or a member; and

428 (2) The previous developer registered the time share plan in this
429 state preceding the merger, acquisition or joint venture.

430 (e) A developer filing an abbreviated application shall provide:

431 (1) The legal name and any assumed names and the principal office
432 location, mailing address, telephone number and primary contact
433 person of the developer;

434 (2) The name, location, mailing address, telephone number and
435 primary contact person of the time share plan;

436 (3) The name and address of the developer's authorized or
437 registered agent for service of process in this state;

438 (4) The name, primary office location, mailing address and
439 telephone number of the managing entity of the time share plan;

440 (5) A declaration stating whether the time share plan is a single-site
441 time share plan or a multisite time share plan;

442 (6) If the plan is a multisite time share plan, a declaration stating
443 whether the plan consists of specific time share interests or nonspecific
444 time share interests;

445 (7) A statement disclosing each jurisdiction in which the time share
446 plan is approved or accepted and a statement disclosing each
447 jurisdiction in which the time share plan is pending;

448 (8) A disclosure of each jurisdiction in which the developer or the
449 managing entity has been denied registration of the time share plan
450 or, during the five-year period before the registration application date,
451 was the subject of a final adverse disposition in a disciplinary
452 proceeding;

453 (9) If requested by the commissioner, copies of any disclosure
454 documents required to be provided to purchasers or filed with any
455 jurisdiction that approved or accepted the time share plan;

456 (10) Any other information reasonably requested by the
457 commissioner or required by statute or departmental regulation or
458 policy; and

459 (11) The appropriate filing fee, as determined by the commissioner.

460 (f) In lieu of physically providing the items listed in subsection (e) of
461 this section, a developer filing an abbreviated application may provide
462 a statement or statements certifying that any or all of the items
463 required by subsection (e) of this section are available to be viewed
464 electronically, at no cost to the department, through an electronic
465 registry, website or other electronic means. The method for accessing
466 said items shall be clearly disclosed in each such certification.

467 (g) A foreign jurisdiction providing evidence of registration
468 pursuant to this section shall have registration and disclosure
469 requirements that are substantially similar to or more stringent than
470 the requirements of this section.

471 (h) The commissioner shall investigate all matters relating to the
472 application and the commissioner may require a personal inspection of
473 the proposed time share property by any persons designated from the
474 department. All direct expenses incurred by the department in
475 inspecting the property shall be borne by the applicant. The
476 commissioner may require the applicant to pay an advance deposit
477 sufficient to cover those expenses.

478 (i) The developer shall file amendments to the registration reporting
479 to the commissioner any materially adverse change in any document
480 contained in the registration not later than thirty days after the
481 developer knows or reasonably should know of the change. The
482 developer may continue to offer and dispose of time share interests

483 under the existing registration pending review of the amendments by
484 the commissioner if the materially adverse change is disclosed to
485 prospective purchasers. The commissioner may charge a fee of up to
486 three hundred dollars for the processing of an amendment.

487 Sec. 9. (NEW) (*Effective October 1, 2008*) (a) The commissioner may
488 adopt regulations, in accordance with chapter 54 of the general
489 statutes, and prescribe and publish forms necessary to carry out the
490 provisions of sections 1 to 30, inclusive, of this act. The commissioner
491 may suspend or revoke the registration of any developer, place on
492 probation the registration of a developer that has been suspended or
493 revoked, reprimand a developer, impose a civil penalty of not more
494 than five thousand dollars for each violation of sections 1 to 30,
495 inclusive, of this act, or take any other disciplinary action authorized
496 by sections 1 to 30, inclusive, of this act if, after notice and hearing, the
497 commissioner determines that a developer has materially violated any
498 provision of sections 1 to 30, inclusive, of this act or chapter 735a of the
499 general statutes.

500 (b) The commissioner may authorize specific employees to conduct
501 hearings and issue proposed or final decisions in contested cases, and
502 establish reasonable fees for forms and documents it provides to the
503 public and for the filing or registration of documents required by
504 sections 1 to 30, inclusive, of this act.

505 (c) If the commissioner initiates a disciplinary proceeding under this
506 chapter, a person is entitled to a hearing before the commissioner or a
507 hearing officer appointed by the commissioner. Any party aggrieved
508 by a decision made by a hearing officer may appeal to the
509 commissioner in accordance with chapter 54 of the general statutes.

510 (d) The commissioner may authorize the Attorney General to file a
511 suit in the judicial district of New Britain to prevent a violation of
512 sections 1 to 30, inclusive, of this act or for any other appropriate relief.

513 (e) A developer's compliance with this chapter exempts the parties'

514 offer, disposition, exchange and management of time share interests
515 subject to said sections from: (1) The registration provisions of chapter
516 672a of the general statutes, unless otherwise sold as a security; (2)
517 compliance with the provisions of chapter 740 of the general statutes;
518 and (3) compliance with the provisions of chapter 828 of the general
519 statutes.

520 (f) The commissioner may adopt regulations, in accordance with the
521 provisions of chapter 54 of the general statutes, specifying the
522 requirements for the issuance and renewal of a developer's registration
523 under sections 1 to 30, inclusive, of this act, including, but not limited
524 to (1) the form required for application for registration or a renewal of
525 registration, and (2) any supporting documentation required for
526 registration or renewal of registration.

527 (g) The commissioner shall issue or renew a registration under
528 sections 1 to 30, inclusive, of this act for a period not to exceed twenty-
529 four months.

530 (h) The commissioner shall assess and collect a fee of seven hundred
531 dollars for the issuance or renewal of a registration under sections 1 to
532 30, inclusive, of this act.

533 (i) The commissioner may assess and collect a late fee of not more
534 than three hundred dollars if the commissioner has not received the
535 registration fee or supporting documentation required before the sixty-
536 first day after the date a registration is issued or renewed under this
537 section.

538 (j) Failure to pay a renewal fee or late fee shall be a violation of
539 sections 1 to 30, inclusive, of this act.

540 Sec. 10. (NEW) (*Effective October 1, 2008*) (a) An advertisement shall
541 not materially misrepresent:

542 (1) Facts or create false or misleading impressions regarding the
543 time share plan;

544 (2) The size, nature, extent, qualities or characteristics of the
545 accommodations or amenities;

546 (3) The amount or period of time during which the accommodations
547 or amenities will be available to any purchaser;

548 (4) The nature or extent of any services incident to the time share
549 plan; or

550 (5) The conditions under which a purchaser may exchange the right
551 to use accommodations or amenities in one location for the right to use
552 accommodations or amenities in another location.

553 (b) An advertisement shall not:

554 (1) Contain statements concerning nonspecific or not bona fide
555 future price increases;

556 (2) Contain any asterisk or other reference symbol as a means of
557 contradicting or substantially changing any previously made
558 statement or as a means of obscuring material facts; or

559 (3) Describe any improvement to the time share plan that is not
560 required to be built or that is uncompleted unless labeled in
561 conspicuous type with words such as "need not be built", "proposed"
562 or "under construction", with the date of promised completion, if
563 applicable, clearly indicated.

564 (c) An advertisement that contains a promotion in connection with
565 the offering of a time share interest shall include:

566 (1) A statement to the effect that the promotion is intended to solicit
567 purchasers of time share interests;

568 (2) The full name of the developer of the time share property; and

569 (3) If applicable, the full name and address of any marketing
570 company involved in the promotion of the time share property,

571 excluding the developer or an affiliate or subsidiary of the developer.

572 (d) When a promotion uses free offers, gift enterprises, drawings,
573 sweepstakes or discounts, the rules of the promotion shall be disclosed
574 and shall include, when applicable, the day and the year by which all
575 prizes listed or offered will be awarded, and the method by which all
576 prizes are to be awarded.

577 (e) At least one of each prize featured in a promotion shall be
578 awarded by the day and year specified in the promotion. The
579 developer and any marketing company involved in the promotion
580 shall be liable for making the awards.

581 (f) Any promotion offering prizes, including, but not limited to,
582 awards, gifts or anything of value regardless of whether there are any
583 conditions or restrictions attached to the receipt of the prize, shall
584 disclose in conspicuous type:

585 (1) The value of each prize;

586 (2) The odds of winning each prize, expressed in Arabic numerals as
587 a fraction or a ratio, or, if the odds depend upon the number of entries
588 received, a statement that the odds depend upon the number of any
589 entries received; and

590 (3) Any conditions or restrictions that apply to the receipt of the
591 prize or void the receipt of the prize.

592 (g) An advertisement containing the disclosures required by this
593 section shall be provided in writing or electronically:

594 (1) At least once before a scheduled sales presentation; and

595 (2) In a reasonable period before the scheduled sales presentation to
596 ensure that the recipient receives the disclosures before leaving to
597 attend the sales presentation.

598 (h) The developer shall not be required to provide the disclosures

599 required by this section in every advertisement or other written, oral or
600 electronic communication provided or made to a recipient before a
601 scheduled sales presentation.

602 Sec. 11. (NEW) (*Effective October 1, 2008*) (a) Before a prospective
603 purchaser signs any agreement to acquire a time share interest, the
604 developer shall provide a time share disclosure statement to the
605 prospective purchaser and shall obtain from the purchaser a written
606 acknowledgement of receipt of the time share disclosure statement.

607 (b) The time share disclosure statement for a single-site time share
608 plan or a multisite time share plan that includes a specific time share
609 interest shall include:

610 (1) The type of time share plan offered and the name and address of
611 the developer and the single site or specific site offered for the
612 multisite time share plan;

613 (2) A description of the duration and operation of the time share
614 plan;

615 (3) A description of the existing or proposed accommodations,
616 including the type and number of time share interests in the
617 accommodations expressed in periods of seven-day use availability or
618 other time increment applicable to the time share plan. The description
619 of each type of accommodation included in the time share plan shall be
620 categorized by the number of bedrooms, the number of bathrooms,
621 and sleeping capacity, and shall include a statement indicating
622 whether the accommodation contains a full kitchen, which means a
623 kitchen that has a minimum of a dishwasher, range, sink, oven and
624 refrigerator. If the accommodations are proposed or incomplete, a
625 schedule for commencement, completion and availability of the
626 accommodations shall be provided;

627 (4) A description of any existing or proposed amenities of the time
628 share plan and, if the amenities are proposed or incomplete, a schedule

629 for commencement, completion, and availability of the amenities;

630 (5) The extent to which financial arrangements have been provided
631 for the completion of all promised accommodations and amenities that
632 are committed to be built;

633 (6) A description of the method and timing for performing
634 maintenance of the accommodations;

635 (7) A statement indicating that, on an annual basis, the sum of the
636 nights that purchasers are entitled to use the accommodations does not
637 exceed the number of nights the accommodations are available for use
638 by the purchasers;

639 (8) A description of the method by which purchasers' use of the
640 accommodations is scheduled;

641 (9) A statement that an association exists or is expected to be created
642 or that such an association does not exist and is not expected to be
643 created and, if such an association exists or is reasonably
644 contemplated, a description of its powers and responsibilities;

645 (10) Relating to the single-site time share plan or the specific time
646 share interest of a multisite time share plan, copies of the following
647 documents, if applicable, including any amendments to the
648 documents, unless separately provided to the purchaser
649 simultaneously with the time share disclosure statement: (A) The
650 declaration; (B) the association articles of incorporation; (C) the
651 association bylaws; (D) the association rules; and (E) any lease or
652 contract, excluding the purchase contract and other loan documents
653 required to be signed by the purchaser at closing;

654 (11) The name and principal address of the managing entity and a
655 description of the procedures, if any, for altering the powers and
656 responsibilities of the managing entity and for removing or replacing
657 it;

658 (12) The current annual budget, if available, or the projected annual
659 budget for the time share plan or time share properties managed by
660 the same managing entity if assessments are deposited in a common
661 account. The budget shall include:

662 (A) A statement of the amount reserved or budgeted for repairs,
663 replacements and refurbishment;

664 (B) The projected common expense liability, if any, by category of
665 expenditure for the time share plan or time share properties managed
666 by the same managing entity; and

667 (C) The assumptions on which the operating budget is based;

668 (13) The projected assessments and a description of the method for
669 calculating and apportioning those assessments among purchasers;

670 (14) Any initial fee or special fee due from the purchaser at closing,
671 together with a description of the purpose and method of calculating
672 the fee;

673 (15) A description of any lien, defect or encumbrance on or affecting
674 title to the time share interest and, if applicable, a copy of each written
675 warranty provided by the developer;

676 (16) A description of any bankruptcy that is pending or that has
677 occurred within the past five years, pending civil or criminal suit,
678 adjudication or disciplinary actions material to the time share plan of
679 which the developer has knowledge;

680 (17) A description of any financing offered by or available through
681 the developer;

682 (18) Any current or anticipated fees or charges to be paid by time
683 share purchasers for the use of any accommodations or amenities
684 related to the time share plan, and a statement that the fees or charges
685 are subject to change;

686 (19) A description of the insurance respectively insuring the (A)
687 time share property against damage and destruction, (B) association
688 against liability to others, and (C) owners of time share interests
689 against liability to others;

690 (20) A description of the type of insurance coverage necessary to
691 protect the purchaser and reasonably repair or replace the
692 accommodations and amenities;

693 (21) The extent to which a time share interest may become subject to
694 a tax lien or other lien arising out of claims against purchasers of
695 different time share interests;

696 (22) A description of the purchaser's right to cancel the purchase
697 contract identified in section 14 of this act;

698 (23) A statement disclosing any right of first refusal or other
699 restraint on the transfer of all or any portion of a time share interest;

700 (24) A statement disclosing that any deposit made in connection
701 with the purchase of a time share interest shall be held by a closing
702 agent until expiration of any right to cancel the contract and that if the
703 purchaser elects to exercise the right of cancellation, any deposit shall
704 be returned to the purchaser, or, if the commissioner accepts from the
705 developer a surety bond, irrevocable letter of credit or other form of
706 financial assurance instead of an escrow deposit, a statement
707 disclosing that the developer has provided a surety bond, irrevocable
708 letter of credit or other form of financial assurance in an amount equal
709 to or in excess of the funds that would otherwise be held by a closing
710 agent and that if the purchaser elects to exercise the right of
711 cancellation, any deposit shall be returned to the purchaser;

712 (25) If applicable, a statement that the assessments collected from
713 the purchasers may be placed in a common account with the
714 assessments collected from the purchasers of other time share
715 properties managed by the same managing entity;

716 (26) If the time share plan provides purchasers with the opportunity
717 to participate in an exchange program, a description of the name and
718 address of the exchange company and the method by which a
719 purchaser accesses the exchange program; and

720 (27) Any other information the commissioner deems necessary to
721 protect prospective purchasers or to implement sections 1 to 30,
722 inclusive, of this act.

723 (c) A developer who offers a specific time share interest in a
724 multisite time share plan also shall fully disclose the following
725 information in written, graphic or tabular form:

726 (1) A description of each component site, including the name and
727 address of each component site;

728 (2) A description of each type of accommodation in each component
729 site, categorized by the number of bedrooms, the number of
730 bathrooms, and sleeping capacity and a statement indicating whether
731 the accommodation contains a full kitchen, which means a kitchen that
732 has a minimum of a dishwasher, range, sink, oven, and refrigerator;

733 (3) A description of the amenities at each component site available
734 for use by purchasers;

735 (4) A description of the reservation system, including, but not
736 limited to:

737 (A) The entity responsible for operating the reservation system, its
738 relationship to the developer and the duration of any agreement for
739 operation of the reservation system;

740 (B) A summary of the rules governing access to and use of the
741 reservation system; and

742 (C) The existence of and explanation regarding any priority
743 reservation features that affect a purchaser's ability to make

744 reservations for the use of a given accommodation on a first-come,
745 first-served basis;

746 (5) The name and principal address of the managing entity for the
747 multisite time share plan and a description of the procedures, if any,
748 for altering the powers and responsibilities of the managing entity and
749 for removing or replacing it;

750 (6) A description of any right to make additions to, substitutions in
751 or deletions from accommodations, amenities or component sites, and
752 a description of the basis on which accommodations, amenities or
753 component sites may be added to, substituted in or deleted from the
754 multisite time share plan;

755 (7) A description of the purchaser's liability for any fees associated
756 with the multisite time share plan;

757 (8) The location of each component site of the multisite time share
758 plan, the historical occupancy of each component site for the prior
759 twelve-month period, if the component site was part of the multisite
760 time share plan during such twelve-month time period, as well as any
761 periodic adjustment or amendment to the reservation system that may
762 be needed in order to respond to actual purchaser use patterns and
763 changes in purchaser use demand for the accommodations existing at
764 the time within the multisite time share plan; and

765 (9) Any other information the commissioner deems necessary to
766 protect prospective purchasers or to implement sections 1 to 30,
767 inclusive, of this act.

768 (d) A developer who offers a nonspecific time share interest in a
769 multisite time share plan shall disclose the following information in
770 written, graphic or tabular form:

771 (1) The name and address of the developer;

772 (2) A description of the type of interest and the usage rights the

773 purchaser will receive;

774 (3) A description of the duration and operation of the time share
775 plan;

776 (4) A description of the insurance respectively insuring the (A) time
777 share property against damage and destruction, (B) association against
778 liability to others, and (C) owners of time share interests against
779 liability to others;

780 (5) An explanation of who holds title to the accommodations of each
781 component site;

782 (6) A description of each component site, including the name and
783 address of each component site;

784 (7) A description of the existing or proposed accommodations,
785 expressed in periods of seven-day use availability or any other time
786 increment applicable to the time share plan. The description of each
787 type of accommodation included in the time share plan shall be
788 categorized by the number of bedrooms, the number of bathrooms,
789 and sleeping capacity, and shall include a statement indicating
790 whether the accommodation contains a full kitchen, which means a
791 kitchen that has a minimum of a dishwasher, range, sink, oven and
792 refrigerator. If the accommodations are proposed or incomplete, a
793 schedule for commencement, completion and availability of the
794 accommodations shall be provided;

795 (8) A statement that an association exists or is expected to be created
796 or that such an association does not exist and is not expected to be
797 created and, if such an association exists or is reasonably
798 contemplated, a description of its powers and responsibilities;

799 (9) If applicable, copies of the following documents applicable to the
800 multisite time share plan, including any amendments to the
801 documents, unless separately provided to the purchaser
802 simultaneously with the time share disclosure statement: (A) the

803 declaration; (B) the association articles of incorporation; (C) the
804 association bylaws; (D) the association rules; and (E) any lease or
805 contract, excluding the purchase contract and other loan documents
806 required to be signed by the purchaser at closing;

807 (10) A description of the method and timing for performing
808 maintenance of the accommodations;

809 (11) A statement indicating that, on an annual basis, the sum of the
810 nights that purchasers are entitled to use the accommodations does not
811 exceed the number of nights the accommodations are available for use
812 by the purchasers;

813 (12) A description of each type of accommodation included in the
814 time share plan, categorized by the number of bedrooms, the number
815 of bathrooms, and sleeping capacity, and a statement indicating
816 whether the accommodation contains a full kitchen, which means a
817 kitchen that has a minimum of a dishwasher, range, sink, oven and
818 refrigerator;

819 (13) A description of amenities available for use by the purchaser at
820 each component site;

821 (14) The location of each component site of the multisite time share
822 plan, the historical occupancy of each component site for the prior
823 twelve-month period, if the component site was part of the multisite
824 time share plan during such twelve-month time period, as well as any
825 periodic adjustment or amendment to the reservation system that may
826 be needed in order to respond to actual purchaser use patterns and
827 changes in purchaser use demand for the accommodations existing at
828 the time within the multisite time share plan;

829 (15) A description of the right to make any additions, substitutions,
830 or deletions of accommodations, amenities or component sites, and a
831 description of the basis upon which accommodations, amenities or
832 component sites may be added to, substituted in or deleted from the

833 multisite time share plan;

834 (16) A description of the reservation system that shall include all of
835 the following:

836 (A) The entity responsible for operating the reservation system, its
837 relationship to the developer and the duration of any agreement for
838 operation of the reservation system;

839 (B) A summary of the rules governing access to and use of the
840 reservation system; and

841 (C) The existence of and an explanation regarding any priority
842 reservation features that affect a purchaser's ability to make
843 reservations for the use of a given accommodation on a first-come,
844 first-served basis;

845 (17) The name and principal address of the managing entity for the
846 multisite time share plan and a description of the procedures, if any,
847 for altering the powers and responsibilities of the managing entity and
848 for removing or replacing it, and a description of the relationship
849 between the multisite time share plan managing entity and the
850 managing entity of the component sites of the multisite time share
851 plan, if different from the multisite time share plan managing entity;

852 (18) The current annual budget of the multisite time share plan, if
853 available, or the projected annual budget for the multisite time share
854 plan, which shall include, but not be limited to:

855 (A) A statement of the amount reserved or budgeted for repairs,
856 replacements and refurbishment;

857 (B) The projected common expense liability, if any, by category of
858 expenditure for the multisite time share plan; and

859 (C) The assumptions on which the operating budget is based;

860 (19) The projected assessments and a description of the method for

861 calculating and apportioning those assessments among purchasers of
862 the multisite time share plan;

863 (20) If applicable, a statement that the assessments collected from
864 the purchasers may be placed in a common account with the
865 assessments collected from the purchasers of other time share
866 properties managed by the same managing entity;

867 (21) Any current fees or charges to be paid by time share purchasers
868 for the use of any amenities related to the time share plan and a
869 statement that the fees or charges are subject to change;

870 (22) Any initial or special fee due from the purchaser at closing,
871 together with a description of the purpose of and method of
872 calculating the fee;

873 (23) A description of the purchaser's liability for any fees associated
874 with the multisite time share plan;

875 (24) A description of any lien, defect, or encumbrance on or
876 affecting title to the time share interest and, if applicable, a copy of
877 each written warranty provided by the developer;

878 (25) The extent to which a time share interest may become subject to
879 a tax lien or other lien arising out of claims against purchasers of
880 different time share interests;

881 (26) A description of those matters required by section 14 of this act;

882 (27) A description of any financing offered by or available through
883 the developer;

884 (28) A description of any bankruptcy that is pending or that has
885 occurred within the past five years, pending civil or criminal suits,
886 adjudications or disciplinary actions material to the time share plan of
887 which the developer has knowledge;

888 (29) A statement disclosing any right of first refusal or other

889 restraint on the transfer of all or a portion of a time share interest;

890 (30) A statement disclosing that any deposit made in connection
891 with the purchase of a time share interest shall be held by a closing
892 agent until expiration of any right to cancel the contract and that if the
893 purchaser elects to exercise the right of cancellation, any deposit shall
894 be returned to the purchaser not later than ten days after the date the
895 seller is notified of the cancellation; or, if the commissioner requires
896 from the developer a surety bond, irrevocable letter of credit or other
897 form of financial assurance instead of an escrow deposit, a statement
898 disclosing that the developer has provided a surety bond, irrevocable
899 letter of credit or other form of financial assurance in an amount equal
900 to or in excess of the funds that would otherwise be held by a closing
901 agent and that if the purchaser elects to exercise the right of
902 cancellation, any deposit shall be returned to the purchaser not later
903 than twenty business days of the date seller is notified of the
904 cancellation;

905 (31) If the time share plan provides purchasers with the opportunity
906 to participate in an exchange program, a description of the name and
907 address of the exchange company and the method by which a
908 purchaser accesses the exchange program; and

909 (32) Any other information the commissioner determines is
910 necessary to protect prospective purchasers or to implement the
911 purpose of sections 1 to 30, inclusive, of this act.

912 (e) A developer may include any other information in a time share
913 disclosure statement required by this section as approved by the
914 commissioner.

915 (f) If a time share plan is located wholly outside this state, the
916 commissioner may permit the developer to submit a time share
917 disclosure statement the developer is currently providing purchasers
918 or an equivalent time share disclosure statement filed for the time
919 share plan in another state if the current statement or the equivalent

920 statement substantially complies with the requirements of this section.
921 Use of an equivalent time share disclosure statement pursuant to this
922 subsection does not exempt the developer from other requirements of
923 this section.

924 Sec. 12. (NEW) (*Effective October 1, 2008*) (a) Before the signing of
925 any agreement to purchase a time share interest in which a prospective
926 purchaser is also offered participation in any exchange program, the
927 developer shall deliver to the prospective purchaser the exchange
928 disclosure statement of any exchange company whose service is
929 advertised or offered by the developer or other person in connection
930 with the disposition.

931 (b) If participation in an exchange program is offered for the first
932 time after a disposition has occurred, any person offering that
933 participation shall also deliver an exchange disclosure statement to the
934 purchaser before the execution by the purchaser of any instrument
935 relating to participation in the exchange program.

936 (c) In all cases, the person offering participation in the exchange
937 program shall obtain from the purchaser a written acknowledgement
938 of receipt of the exchange disclosure statement.

939 (d) The exchange disclosure statement shall include:

940 (1) The name and address of the exchange company;

941 (2) If the exchange company is not the developer, a statement
942 describing the legal relationship, if any, between the exchange
943 company and the developer;

944 (3) A statement indicating the conditions under which the exchange
945 program might terminate or become unavailable;

946 (4) Whether membership or participation or both in the exchange
947 program is voluntary or mandatory;

948 (5) A complete description of the required procedure for executing
949 an exchange of time share periods;

950 (6) The fee required for membership or participation or both in the
951 program and whether the fee is subject to change;

952 (7) A statement disclosing that participation in the exchange
953 program is conditioned on compliance with the terms of a contract
954 between the exchange company and the purchaser;

955 (8) A statement in conspicuous type that all exchanges are arranged
956 on a space-available basis and that neither the developer or the
957 exchange company guarantees that a particular time share period can
958 be exchanged;

959 (9) A description of seasonal demand and unit occupancy
960 restrictions employed in the exchange program;

961 (10) The following information, which shall be independently
962 audited by a certified public accountant or accounting firm in
963 accordance with the standards of the Accounting Standards Board of
964 the American Institute of Certified Public Accountants and reported
965 annually:

966 (A) The number of purchasers currently enrolled in the exchange
967 program;

968 (B) The number of accommodations and facilities that have current
969 written affiliation agreements with the exchange program;

970 (C) The percentage of confirmed exchanges, which is the number of
971 exchanges confirmed by the exchange program divided by the number
972 of exchanges properly applied for, together with a complete and
973 accurate statement of the criteria used to determine whether an
974 exchange request was properly applied for;

975 (D) The number of time share periods for which the exchange

976 program has an outstanding obligation to provide an exchange to a
977 purchaser who relinquished a time share period during the year in
978 exchange for a time share period in any future year; and

979 (E) The number of exchanges confirmed by the exchange program
980 during the year; and

981 (11) A statement in boldface type that the percentage described in
982 subparagraph (C) of subdivision (10) of subsection (d) of this section is
983 a summary of the exchange requests entered with the exchange
984 program in the period reported and that the percentage does not
985 indicate the probabilities of a purchaser's being confirmed to any
986 specific choice or range of choices.

987 (e) Each exchange company offering an exchange program in this
988 state shall file with the department the information specified in this
989 section, together with any membership agreement and application
990 between the purchaser and the exchange company, and the audit
991 specified in subdivision (10) of subsection (d) of this section on or
992 before June first of each year. An exchange company shall make its
993 initial filing not later than twenty days prior to offering an exchange
994 program to any purchaser in this state. Each filing shall be
995 accompanied by an annual filing fee of five hundred dollars.

996 (f) Any material change to an exchange company filing shall be filed
997 with the department as an amendment prior to becoming effective.
998 Each amendment filing shall be accompanied by a filing fee of one
999 hundred dollars. An exchange program filing is required to be
1000 updated with respect to added or deleted resorts only once each year,
1001 and such annual update shall not be deemed to be a material change to
1002 the filing.

1003 (g) If at any time the department determines that any of the
1004 information supplied by an exchange company fails to meet the
1005 requirements of this section, the department shall undertake
1006 enforcement action against the exchange company.

1007 Sec. 13. (NEW) (*Effective October 1, 2008*) Notwithstanding
1008 obligations placed upon any other persons by sections 1 to 30,
1009 inclusive, of this act, the developer shall supervise, manage and control
1010 all aspects of the offering of a time share interest, including, but not
1011 limited to, promotion, advertising, contracting and closing. Any
1012 violation of sections 1 to 30, inclusive, of this act that occurs during
1013 such offering activities is considered to be a violation by the developer
1014 as well as by the person actually committing the violation.

1015 Sec. 14. (NEW) (*Effective October 1, 2008*) (a) A purchaser may cancel
1016 a purchase contract before midnight of the fifth calendar day after the
1017 date the purchaser signs and receives a copy of the purchase contract
1018 or receives the required time share disclosure statement, whichever is
1019 later. A developer may offer a cancellation period that is longer than
1020 five calendar days if required in the jurisdiction where the time share
1021 property is located.

1022 (b) A purchaser shall not waive any right of cancellation under this
1023 section. A contract containing a waiver is voidable by the purchaser.

1024 (c) If a purchaser elects to cancel a purchase contract under this
1025 section, the purchaser may do so by hand-delivering notice of
1026 cancellation to the developer, by mailing notice by prepaid United
1027 States mail to the developer or to the developer's agent for service of
1028 process or by providing notice by overnight common carrier delivery
1029 service to the developer or the developer's agent for service of process.

1030 (d) Cancellation is without penalty, and all payments made by the
1031 purchaser before cancellation shall be refunded not later than twenty
1032 business days after the date on which the developer receives a timely
1033 notice of cancellation or on or before the fifth day after the date the
1034 developer receives good funds from the purchaser, whichever is later.

1035 Sec. 15. (NEW) (*Effective October 1, 2008*) (a) Each purchase contract
1036 shall contain the following information. The statements required by
1037 this subsection and subdivision (7) of subsection (c) of this section

1038 shall be provided in conspicuous type and in the language set forth in
1039 this section or in similar language or type if required by the
1040 jurisdiction in which the time share property or properties are located,
1041 with the developer's name and address, the date of the last day of the
1042 fiscal year and the address of the managing entity inserted where
1043 indicated:

1044 "PURCHASER'S RIGHT TO CANCEL.

1045 (1) BY SIGNING THIS CONTRACT YOU ARE INCURRING AN
1046 OBLIGATION TO PURCHASE A TIME SHARE INTEREST. YOU
1047 MAY, HOWEVER, CANCEL THIS CONTRACT WITHOUT
1048 PENALTY OR OBLIGATION BEFORE MIDNIGHT OF THE FIFTH
1049 CALENDAR DAY AFTER THE DATE YOU SIGN AND RECEIVE A
1050 COPY OF THE PURCHASE CONTRACT, OR RECEIVE THE
1051 REQUIRED TIME SHARE DISCLOSURE STATEMENT, WHICHEVER
1052 IS LATER.

1053 (2) IF YOU DECIDE TO CANCEL THIS CONTRACT, YOU MAY
1054 DO SO BY EITHER HAND-DELIVERING NOTICE OF
1055 CANCELLATION TO THE DEVELOPER, BY MAILING NOTICE BY
1056 PREPAID UNITED STATES MAIL TO THE DEVELOPER OR THE
1057 DEVELOPER'S AGENT FOR SERVICE OF PROCESS, OR BY
1058 PROVIDING NOTICE BY OVERNIGHT COMMON CARRIER
1059 DELIVERY SERVICE TO THE DEVELOPER OR THE DEVELOPER'S
1060 AGENT FOR SERVICE OF PROCESS. YOUR NOTICE OF
1061 CANCELLATION IS EFFECTIVE ON THE DATE SENT OR
1062 DELIVERED TO (INSERT NAME OF DEVELOPER) AT (INSERT
1063 ADDRESS OF DEVELOPER). FOR YOUR PROTECTION, SHOULD
1064 YOU DECIDE TO CANCEL YOU SHOULD EITHER SEND YOUR
1065 NOTICE OF CANCELLATION BY CERTIFIED MAIL WITH A
1066 RETURN RECEIPT REQUESTED OR OBTAIN A SIGNED AND
1067 DATED RECEIPT IF DELIVERING IT IN PERSON OR BY
1068 OVERNIGHT COMMON CARRIER.

1069 (3) A PURCHASER SHOULD NOT RELY ON STATEMENTS

1070 OTHER THAN THOSE INCLUDED IN THIS CONTRACT AND THE
1071 DISCLOSURE STATEMENT.

1072 (4) SHOULD YOU CANCEL, ANY PAYMENTS MADE BY YOU
1073 UNDER THE CONTRACT AND ANY NEGOTIABLE INSTRUMENT
1074 EXECUTED BY YOU WILL BE RETURNED WITHIN TWENTY
1075 BUSINESS DAYS FOLLOWING RECEIPT BY THE DEVELOPER OF
1076 YOUR CANCELLATION NOTICE, OR ON OR BEFORE THE FIFTH
1077 CALENDAR DAY AFTER THE DATE THE DEVELOPER RECEIVES
1078 GOOD FUNDS FROM THE PURCHASER, WHICHEVER IS LATER,
1079 AND ANY SECURITY INTEREST ARISING OUT OF THE
1080 TRANSACTION WILL BE CANCELLED."

1081 (b) Immediately following the required statements in subsection (a)
1082 of this section shall be a space reserved for the signature of the
1083 purchaser.

1084 (c) The purchase contract shall also include the following:

1085 (1) The name and address of the developer and the address of the
1086 time share property or the address of any available time share interest
1087 being offered;

1088 (2) The name of the person or persons primarily involved in the
1089 sales presentation on behalf of the developer;

1090 (3) A statement disclosing the amount of the periodic assessments
1091 currently assessed against or collected from the purchasers of the time
1092 share interest, immediately followed by a statement providing that
1093 collected assessments will be used by the managing entity to pay for
1094 expenditures, charges, reserves or liabilities relating to the operation of
1095 the time share plan or time share properties managed by the managing
1096 entity;

1097 (4) If applicable, a statement disclosing that the time share common
1098 properties are mortgaged and not subject to a nondisturbance clause
1099 which fully protects the use and enjoyment rights of each time share

1100 owner in the event of foreclosure;

1101 (5) In the event such time share interests are sold under a lease, right
1102 to use, or membership agreement where free and clear title to the
1103 accommodation is not passed to the purchaser, then the purchase
1104 contract shall contain a statement that the time share is free and clear;
1105 or if subject to a mortgage, the mortgage shall contain a
1106 nondisturbance clause which fully protects the use and enjoyment
1107 rights of each time share owner in the event of foreclosure;

1108 (6) The date the purchaser signs the contract; and

1109 (7) The following statement in conspicuous type:

1110 "AS A TIME SHARE OWNER, YOU HAVE A RIGHT TO REQUEST
1111 A WRITTEN ANNUAL TIME SHARE FEE AND EXPENSE
1112 STATEMENT. THIS STATEMENT IS PREPARED ANNUALLY BY
1113 THE MANAGING ENTITY AND WILL BE AVAILABLE NOT LATER
1114 THAN FIVE MONTHS AFTER (INSERT THE DATE OF THE LAST
1115 DAY OF THE FISCAL YEAR). YOU MAY REQUEST THE
1116 STATEMENT BY WRITING TO (INSERT NAME AND ADDRESS OF
1117 THE MANAGING ENTITY)".

1118 (d) The information required to be provided by this section may be
1119 provided in the purchase contract or in an exhibit to the purchase
1120 contract, or it may be provided in part in both if all of the information
1121 is provided.

1122 Sec. 16. (NEW) (*Effective October 1, 2008*) (a) An exchange company
1123 may employ seasonal demand and unit occupancy restrictions in the
1124 operation of its exchange program.

1125 (b) A developer shall not incur any liability arising out of the use,
1126 delivery or publication to a purchaser of written information or audio-
1127 visual materials provided to it by the exchange company in accordance
1128 with section 12 of this act, unless the developer knows or has reason to
1129 know that the materials are inaccurate or false.

1130 (c) No exchange company shall have any liability with respect to
1131 any violation under sections 1 to 30, inclusive, of this act arising out of
1132 the use by a developer of information relating to an exchange program
1133 other than that provided to the developer by the exchange company.

1134 (d) An exchange company may elect to deny exchange privileges to
1135 any purchaser whose use of the accommodations of the purchaser's
1136 time share plan is denied, and no exchange program or exchange
1137 company shall be liable to any of its members or third parties on
1138 account of any such denial of exchange privileges.

1139 (e) Except for written information or audio-visual materials
1140 provided to a developer by an exchange company, an exchange
1141 company shall not incur liability as a result of (1) a representation
1142 made by a developer that relates to any exchange program or
1143 exchange company, or (2) the use, delivery or publication by a
1144 developer of information that relates to an exchange program or
1145 exchange company.

1146 Sec. 17. (NEW) (*Effective October 1, 2008*) (a) A developer or closing
1147 agent of a time share plan shall deposit in an escrow or trust account in
1148 a federally insured depository one hundred per cent of all funds
1149 received during the purchaser's cancellation period.

1150 (b) A closing agent owes the purchaser a fiduciary duty.

1151 (c) The closing agent and the developer shall execute an agreement
1152 that includes a statement providing that:

1153 (1) Funds may be disbursed to the developer from the escrow or
1154 trust account by the agent only:

1155 (A) After the purchaser's cancellation period has expired; and

1156 (B) As provided by the purchase contract, subject to sections 1 to 30,
1157 inclusive, of this act; and

1158 (2) If the purchaser cancels the purchase contract as provided by the
1159 contract, the funds shall be paid to (A) the purchaser, or (B) the
1160 developer if the purchaser's funds have been refunded previously by
1161 the developer; and

1162 (3) If a developer contracts to sell a time share interest and the
1163 construction of the building in which the time share interest is located
1164 has not been completed when the cancellation period expires, the
1165 developer shall continue to maintain all funds received from the
1166 purchaser under the purchase agreement in the escrow or trust
1167 account until construction of the building is completed. The
1168 documentation required for evidence of completion of construction
1169 includes:

1170 (A) A certificate of occupancy;

1171 (B) A certificate of substantial completion;

1172 (C) Evidence of a public safety inspection from a government
1173 agency in the applicable jurisdiction; or

1174 (D) Any other evidence acceptable to the commissioner.

1175 (d) The funds or property constituting the escrow or trust deposit
1176 may be released from escrow only in accordance with this section.

1177 (e) If the purchaser cancels the purchase contract as provided by the
1178 contract, the funds shall be paid to (1) the purchaser, or (2) the
1179 developer if the purchaser's funds have been refunded previously by
1180 the developer.

1181 (f) If the purchaser defaults in the performance of obligations under
1182 the terms of the purchase contract, the funds shall be paid to the
1183 developer.

1184 (g) If the developer defaults in the performance of obligations under
1185 the purchase contract, the funds shall be paid to the purchaser.

1186 (h) If the funds of the purchaser have not been disbursed previously
1187 as provided in subsections (d) to (g), inclusive, of this section, the
1188 funds may be disbursed to the developer by the escrow or trust agent
1189 if acceptable evidence of completion of construction is provided.

1190 (i) If there is a dispute relating to the funds in the escrow or trust
1191 account, the agent shall maintain the funds in the account until (1) the
1192 agent receives written directions agreed to and signed by all parties, or
1193 (2) a civil action relating to the disputed funds is filed.

1194 (j) If a civil action is filed, the closing agent shall maintain or deposit
1195 the funds as directed by the court in which the action is filed.

1196 (k) In lieu of the deposit of funds in an escrow or trust account as
1197 required by this section, the commissioner may accept from the
1198 developer a surety bond, irrevocable letter of credit or other form of
1199 financial assurance, including financial assurance posted in another
1200 state or jurisdiction.

1201 (l) The amount of the financial assurance provided under subsection
1202 (k) of this section shall be in an amount equal to or greater than the
1203 amount of funds that would otherwise be placed in an escrow or trust
1204 account under subsection (a) of this section.

1205 (m) The amount of the financial assurance provided under this
1206 section for time share property under construction shall be no less
1207 than:

1208 (1) The amount equal to or more than the amount of funds that
1209 would otherwise be placed in an escrow or trust account under
1210 subsection (d) of this section; or

1211 (2) The amount necessary to assure completion of all
1212 accommodations promised to be completed along with all furniture,
1213 fixtures and any other promised improvements as portrayed in the
1214 time share instruments or time share disclosure statement. In the event
1215 the developer is considering future additional phases, the amount

1216 need not include the cost of completion of those phases so long as they
1217 have not been promised as part of the time share instruments.

1218 (n) The type of surety bond provided under this section may
1219 include, but not be limited to, a completion of construction bond or
1220 escrow bond.

1221 (o) The closing agent or developer shall make documents related to
1222 the escrow or trust account or the financial assurance provided
1223 available to the commissioner upon the commissioner's request.

1224 Sec. 18. (NEW) (*Effective October 1, 2008*) (a) Any of the following
1225 committed by a developer or other person shall be deemed an unfair
1226 trade practice under chapter 735a of the general statutes:

1227 (1) Failing to disclose the information required in section 11 of this
1228 act if such information is otherwise required to be disclosed by
1229 sections 1 to 30, inclusive, of this act;

1230 (2) Making false or materially misleading statements of fact
1231 concerning the characteristics of accommodations or amenities
1232 available to a consumer;

1233 (3) Making false or materially misleading statements of fact
1234 concerning the duration that accommodations or amenities will be
1235 available to a consumer;

1236 (4) Making false or materially misleading statements of fact
1237 concerning the conditions under which a purchaser of a time share
1238 interest may exchange the right to occupy a unit for the right to occupy
1239 a unit in the same or another time share property;

1240 (5) Representing that a prize, gift or other benefit will be awarded in
1241 connection with a promotion with the intent not to award that prize,
1242 gift or benefit in the manner represented;

1243 (6) Failing to provide a copy of the purchase contract to the

1244 purchaser at the time the contract is signed by the purchaser;

1245 (7) Failing to provide the annual statement required by subsection
1246 (a) of section 22 of this act; or

1247 (8) Failing to maintain a one-to-one use right to use night ratio for a
1248 time share plan during a consecutive twelve-month period, as
1249 determined under subsection (c) of this section.

1250 (b) The provisions of this section are not exclusive and are in
1251 addition to any other unfair trade practices provided for under any
1252 other law.

1253 (c) A developer complies with the one-to-one use right to use night
1254 ratio referred to in subdivision (8) of subsection (a) of this section if the
1255 sum of the nights that purchasers are entitled to use in a given twelve-
1256 month period do not exceed the number of nights available for use by
1257 those purchasers during the same twelve-month period. No individual
1258 time share unit may be counted as providing more than three hundred
1259 sixty-five use nights per twelve-month period or more than three
1260 hundred sixty-six use nights per twelve-month period that includes
1261 February twenty-ninth. The use rights of each purchaser shall be
1262 counted without regard to whether the purchaser's use rights have
1263 been suspended for failure to pay assessments or for other reasons.

1264 (d) A nonmaterial error or omission is not actionable if a developer
1265 has substantially complied with sections 1 to 30, inclusive, of this act in
1266 good faith. Any nonmaterial error or omission is not sufficient to
1267 permit a purchaser to cancel a purchase contract after the period
1268 provided for cancellation expires under said sections.

1269 Sec. 19. (NEW) (*Effective October 1, 2008*) (a) Notwithstanding any
1270 provision contained in the time share instrument or in sections 1 to 30,
1271 inclusive, of this act the managing entity shall use due diligence to
1272 obtain the following insurance coverage as a common expense of the
1273 time share plan:

1274 (1) Adequate casualty insurance to protect the time share property
1275 and amenities against all reasonably foreseeable perils, in such covered
1276 amounts and subject to such reasonable exclusions and reasonable
1277 deductibles as are consistent with the provisions of this section; and

1278 (2) Adequate liability insurance to reasonably protect the time share
1279 property and amenities from occurrences commonly insured against
1280 for death, bodily injury, and property damage arising out of or in
1281 connection with the use, ownership and maintenance of the time share
1282 property.

1283 (b) In making the determination as to whether the insurance
1284 obtained pursuant to this section is adequate, the managing entity
1285 shall take into account the following factors, among others as may be
1286 applicable:

1287 (1) Available insurance coverages and related premiums in the
1288 marketplace;

1289 (2) Amounts of any related deductibles, types of exclusions and
1290 coverage limitations, provided, for purposes of this subdivision, a
1291 deductible of five per cent or less shall be deemed to be reasonable per
1292 se;

1293 (3) The probable maximum loss relating to the insured time share
1294 property during the policy term;

1295 (4) The extent to which a given peril is insurable under
1296 commercially reasonable terms;

1297 (5) Amounts of any deferred maintenance or replacement reserves
1298 on hand;

1299 (6) Geography and any special risks associated with the location of
1300 the time share property; and

1301 (7) The age and type of construction of the time share property.

1302 (c) Notwithstanding any provision contained in this section or in the
1303 time share instrument to the contrary, insurance shall be procured and
1304 maintained by the managing entity for the time share property as a
1305 common expense of the time share plan against such perils, in such
1306 coverages and subject to such reasonable deductions or reasonable
1307 exclusions as may be required by:

1308 (1) An institutional lender to a developer, for so long as such lender
1309 holds a mortgage encumbering any interest in or lien against a portion
1310 of the time share property; or

1311 (2) Any holder or pledge of, or any institutional lender having a
1312 security interest in, a pool of promissory notes secured by mortgages
1313 or other security interests relating to the time share plan, executed by
1314 purchasers in connection with such purchasers' acquisition of time
1315 share interests in such time share property, or any agent, underwriter,
1316 placement agent, trustee, servicer, custodian or other portfolio
1317 manager acting on behalf of such holder, pledge or institutional lender,
1318 for so long as such notes and mortgages or other security interests
1319 remain outstanding.

1320 (d) Notwithstanding any provision contained in the time share
1321 instrument or in c, the managing entity is authorized to apply any
1322 existing reserves for deferred maintenance and capital expenditures
1323 toward payment of insurance deductibles or the repair or replacement
1324 of the time share property after a casualty without regard to the
1325 purposes for which such reserves were originally established.

1326 (e) A copy of each policy of insurance in effect shall be made
1327 available for reasonable inspection by purchasers and their authorized
1328 agents.

1329 Sec. 20. (NEW) (*Effective October 1, 2008*) (a) Each time share estate
1330 constitutes a separate estate in real property, except for real property
1331 tax purposes.

1332 (b) Time share interests shall not be separately taxed but shall be
1333 valued, assessed and taxed at the time share unit level as if owned by a
1334 single owner.

1335 (c) The value of time share interests, for purposes of ad valorem
1336 taxation, shall be determined by valuing the real property associated
1337 with the time share unit, exclusive of the value of any intangible
1338 property and rights associated with the acquisition, operation,
1339 ownership and use of the time share interests, including the fees and
1340 costs associated with the sale of time share interests that exceed those
1341 fees and costs normally incurred in the sale of other similar properties,
1342 the fees and costs associated with the operation, ownership and use of
1343 time share interests, time share exchange opportunities, vacation
1344 conveniences and services, bonus time, club memberships and any
1345 other intangible rights and benefits available to owners of time share
1346 interests.

1347 (d) Nothing in this section shall be construed to require the
1348 assessment of any real property interest associated with a time share
1349 unit at less than its fair market value. Notice of assessment,
1350 delinquency, sale or any other purpose required by law is considered
1351 sufficient for all purposes if the notice is given to the managing entity.

1352 Sec. 21. (NEW) (*Effective October 1, 2008*) (a) No developer subject to
1353 sections 1 to 30, inclusive, of this act shall (1) offer or dispose of a time
1354 share interest in a time share property that has not been registered
1355 with the department, or (2) accept reservations and deposits from
1356 prospective purchasers in accordance with subsection (b) or (d) of
1357 section 7 of this act.

1358 (b) Any developer who violates the provisions of subsection (a) of
1359 this section shall be guilty of a class A misdemeanor. A developer shall
1360 not be prosecuted for more than one offense involving the same
1361 promotion, even if mailed or distributed to more than one person.

1362 Sec. 22. (NEW) (*Effective October 1, 2008*) (a) Notwithstanding any

1363 provision of the required time share disclosure statement, project
1364 instrument, time share instrument or bylaws adopted pursuant to a
1365 time share instrument, the managing entity shall make a written
1366 annual statement of the operation of the time share plan or time share
1367 properties managed by the managing entity if assessments are
1368 deposited in a common account, to each purchaser who requests
1369 statement not later than five months after the last day of each fiscal
1370 year. The statement shall fairly and accurately represent the collection
1371 and expenditure of assessments and include:

1372 (1) A balance sheet;

1373 (2) An income and expense statement;

1374 (3) The current budget for the time share property, time share
1375 properties managed by the same managing entity or multisite time
1376 share plan required by subdivision (12) of subsection (b) of section 11
1377 of this act or subdivision (18) of subsection (d) of section 11 of this act;
1378 and

1379 (4) The name, address, and telephone number of a designated
1380 representative of the managing entity.

1381 (b) At the request of an owner, the managing entity of the time share
1382 plan shall provide such owner with the name and address of each
1383 member of the board of directors of the owners' association, if one
1384 exists.

1385 (c) A developer or managing entity shall have an annual
1386 independent audit of the financial statements of the time share plan or
1387 time share properties managed by the managing entity performed by a
1388 certified public accountant or an accounting firm. The audit shall be:

1389 (1) Conducted in accordance with generally accepted auditing
1390 standards as prescribed by the American Institute of Certified Public
1391 Accountants, the Governmental Accounting Standards Board, the
1392 United States General Accounting Office or other professionally

1393 recognized entities that prescribe auditing standards; and

1394 (2) Completed not later than five months after the last day of the
1395 fiscal year of the time share plan or time share property.

1396 (d) Knowingly furnishing false information in the annual time share
1397 fee and expense statement shall be an unfair trade practice in violation
1398 of chapter 735a of the general statutes.

1399 (e) The managing entity of any accommodation located in this state
1400 shall post prominently in the registration area of the accommodations
1401 the following notice, with the date of the last day of the current fiscal
1402 year and the address of the managing entity inserted where indicated:

1403 "AS A TIME SHARE OWNER YOU HAVE A RIGHT TO REQUEST
1404 A WRITTEN ANNUAL TIME SHARE FEE AND EXPENSE
1405 STATEMENT. THIS STATEMENT IS PREPARED ANNUALLY BY
1406 THE MANAGING ENTITY AND WILL BE AVAILABLE NO LATER
1407 THAN FIVE MONTHS FOLLOWING (INSERT THE DATE OF THE
1408 LAST DAY OF THE CURRENT FISCAL YEAR). YOU MAY REQUEST
1409 THE STATEMENT, BY WRITING TO (INSERT ADDRESS OF THE
1410 MANAGING ENTITY)."

1411 (f) On receipt of a written request filed with the commissioner by a
1412 managing entity before the date on which the statement required by
1413 this section shall be made available, the commissioner may, for good
1414 cause shown, grant the managing entity an extension of not more than
1415 thirty days in which to provide the statement.

1416 (g) If the statement required by this section is late and an extension
1417 has not been granted under subsection (f) of this section, the
1418 commissioner may institute, through the Office of the Attorney
1419 General, an action for injunctive relief.

1420 Sec. 23. (NEW) (*Effective October 1, 2008*) (a) A managing entity that
1421 manages two or more single-site time share plans may commingle the
1422 assessments collected from purchasers of one time share plan with the

1423 assessments collected from purchasers of any other single-site plan for
1424 which it is the managing entity only if the practice is disclosed in the
1425 time share disclosure statement for each time share property and an
1426 appropriate statement is included in the declaration required by
1427 section 5 of this act for each time share property.

1428 (b) A managing entity that manages a multisite time share plan may
1429 deposit assessments collected from purchasers of one time share
1430 property into a common account with assessments collected from
1431 purchasers of other time share properties participating in the same
1432 multisite time share plan only if the practice is disclosed in the time
1433 share disclosure statement for each time share property in the multisite
1434 time share plan and an appropriate statement is included in the
1435 declaration required by section 5 of this act for each time share plan.

1436 (c) Nothing in this section shall be construed to allow a managing
1437 entity to commingle assessments of a multisite time share plan with
1438 the assessments of a separate multisite time share plan or a time share
1439 plan that is not a part of the multisite time share plan.

1440 (d) In matters related to the funds of the owners of time share
1441 interests and the association, the managing entity shall have a duty to
1442 act in the best interests of each owner of a time share interest in the
1443 time share plan and the association.

1444 Sec. 24. (NEW) (*Effective October 1, 2008*) (a) The managing entity
1445 may levy and enforce assessments on any time share interests in
1446 accordance with the time share instrument, and any such assessment
1447 shall constitute a debt of the owner of the interest at the time the
1448 assessment is made. Assessments and other monetary obligations are
1449 governed as follows:

1450 (1) The managing entity may impose reasonable monetary penalties
1451 for violation of the time share instrument, as an assessment, as
1452 authorized by the time share instrument;

1453 (2) Assessments may include personal charges and other amounts
1454 as authorized by the time share instrument;

1455 (3) The managing entity may assign to the delinquent owners the
1456 costs of collection, including attorney fees, administrative fees, late
1457 fees, interest and penalties or as otherwise authorized by the time
1458 share instrument; and

1459 (4) The amount of any assessment plus any other charges such as
1460 interest, collection costs, attorney fees, administrative fees, late fees,
1461 interest and penalties, as provided in the time share instrument or as
1462 otherwise provided by law, are a lien on the time share interest
1463 assessed from the time the assessment became due. The lien has
1464 priority over other liens as provided in the time share instrument. The
1465 lien may be enforced, foreclosed or realized on as provided in the time
1466 share instrument or as otherwise permitted by law.

1467 (b) On the receipt of a written request, the managing entity shall
1468 furnish to an owner, purchaser or any lender who has a security
1469 interest in a time share interest or the time share property a statement
1470 setting forth the amount of unpaid assessments made against the
1471 owner's time share interest. The statement shall be furnished not later
1472 than ten business days after receipt of the request and is binding on the
1473 managing entity, the association, the board and every owner.

1474 (c) If an association, developer or other managing entity files an
1475 action to foreclose the assessment lien on time share interests, the
1476 association, developer or other managing entity may join in the same
1477 action multiple defendant obligors and junior interest holders of
1478 separate time share interests, on compliance with all of the following:

1479 (1) The foreclosure proceeding involves a single time share plan;

1480 (2) The foreclosure proceeding is filed by a single plaintiff;

1481 (3) The default and remedy provisions in the written instruments on
1482 which the foreclosure proceeding is based are substantially the same

1483 for each defendant; and

1484 (4) The nature of the defaults alleged is the same for each defendant.

1485 (d) In any foreclosure proceeding involving multiple defendants
1486 filed pursuant to subsection (c) of this section, the court shall sever for
1487 separate trial any count of the complaint in which a defense or
1488 counterclaim is timely raised by a defendant.

1489 Sec. 25. (NEW) (*Effective October 1, 2008*) Notwithstanding any
1490 provision of section 24 of this act or section 36a-805 of the general
1491 statutes, any costs of collection, including reasonable collection agency
1492 fees and reasonable attorney's fees incurred in the collection of a
1493 delinquent assessment, shall be paid by the purchaser and shall be
1494 secured by a lien in favor of the managing entity upon the time share
1495 interest with respect to which the delinquent assessment has been
1496 incurred. In the event that the managing entity turns the matter over to
1497 a consumer collection agency, the managing entity shall advise the
1498 purchaser not later than sixty days prior to turning the matter over to
1499 the consumer collection agency that the purchaser may be liable for the
1500 fees of the consumer collection agency and that a lien may result
1501 therefrom.

1502 Sec. 26. (NEW) (*Effective October 1, 2008*) (a) A developer or
1503 managing entity, on written request by an owner, shall make available
1504 for examination at its registered office or principal place of business
1505 and at any reasonable time or times the relevant books and records
1506 relating to the collection and expenditure of assessments.

1507 (b) A developer or managing entity shall maintain in its records a
1508 copy of each purchase contract for an accommodation sold by the
1509 developer for a time share period unless the contract has been
1510 canceled. If a sale of the time share estate is pending, the developer
1511 shall retain a copy of the contract until a deed of conveyance,
1512 agreement for deed or lease is recorded in the real property records of
1513 the town, county or other jurisdiction in which the time share property

1514 is located.

1515 Sec. 27. (NEW) (*Effective October 1, 2008*) Notwithstanding any
1516 provisions in the general statutes, a developer may pay a finder's fee to
1517 a person who is not licensed pursuant to section 20-311 of the general
1518 statutes and who owns a time share interest in the developer's time
1519 share plan. This section shall not permit a person who receives the
1520 finder's fee to advertise or promote the time share interest, show
1521 property, discuss terms and conditions of purchase or otherwise
1522 participate in negotiations with regard to the time share interest,
1523 unless the person is a regular employee of the developer or properly
1524 licensed pursuant to section 20-311 of the general statutes.

1525 Sec. 28. (NEW) (*Effective October 1, 2008*) (a) A time share resale
1526 broker which acts on behalf of a time share owner other than a
1527 developer, shall, prior to offering in this state:

1528 (1) Be licensed as a real estate broker pursuant to the provisions of
1529 section 20-311 of the general statutes or pursuant to the real estate laws
1530 of the state where the time share resale broker has its principal place of
1531 business or provide the disclosure required by subparagraph (G)(ii) of
1532 subdivision (2) of subsection (a) of section 30 of this act;

1533 (2) Register as a time share resale broker with the department by
1534 completing a form for registration approved by the commissioner and
1535 paying a fee of five hundred dollars; and

1536 (3) Comply with the provisions of sections 29 and 30 of this act and
1537 submit copies to the department of the documents and disclosures
1538 required therein.

1539 (b) For purposes of this section, a rebuttable presumption shall exist
1540 that a time share owner who has acquired more than twelve time share
1541 interests did not acquire them for the personal use and occupancy of
1542 said owner.

1543 (c) A time share resale broker shall renew the registration with the

1544 department every two years on a form approved by the commissioner
1545 and shall pay a registration fee of two hundred fifty dollars.

1546 (d) Unless the method for resale of time shares is for the purpose of
1547 evading the provisions of sections 1 to 30, inclusive, of this act, a
1548 person shall not be required to register as a time share resale broker if
1549 such person:

1550 (1) Has acquired fewer than twelve time share interests and later
1551 resells or offers to resell one or more of those time share interests;

1552 (2) Is a real estate broker or sales person licensed pursuant to section
1553 20-311 of the general statutes;

1554 (3) Is a licensed real estate broker or salesperson who resells or
1555 offers to resell time share interests in a time share plan as an agent for
1556 a developer who is registered under sections 1 to 30, inclusive, of this
1557 act;

1558 (4) Is a developer who is registered under sections 1 to 30, inclusive,
1559 of this act or is an affiliate of the developer which is also a managing
1560 entity;

1561 (5) Is a managing entity that is not otherwise a developer, that sells
1562 or engages a third party to sell on its behalf, fifty or fewer time share
1563 interests in the time share plan that it manages in a given calendar year
1564 to persons who are not existing purchasers of that time share plan; or

1565 (6) Is an exchange company subject to section 12 of this act.

1566 (e) A time share resale broker who offers to resell a time share
1567 interest shall:

1568 (1) Provide a fully executed copy of the written agreement described
1569 in subsection (a) of section 30 of this act to the time share owner on the
1570 date the owner signs the agreement; and

1571 (2) Make the disclosures required pursuant to subsection (a) of

1572 section 30 of this act before accepting anything of value from the time
1573 share owner.

1574 Sec. 29. (NEW) (*Effective October 1, 2008*) Before a purchaser signs
1575 any contract to purchase a time share resale, the person who is
1576 reselling the time share, other than a developer registered under this
1577 chapter, shall disclose in conspicuous type in the contract to purchase
1578 the time share resale the following information:

1579 (1) The name, address and telephone number of the time share plan
1580 and the managing entity of the time share plan;

1581 (2) The period of time or the duration of time during which the
1582 purchaser may use the time share interest;

1583 (3) A legal description of the time share interest being acquired;

1584 (4) The earliest date that the purchaser may use the time share
1585 interest;

1586 (5) The place where the documents of formation of the association, if
1587 any, and the time share instrument may be obtained together with the
1588 following disclosure:

1589 "THESE ARE MANY IMPORTANT DOCUMENTS RELATING TO
1590 THE TIME SHARE PLAN WHICH YOU SHOULD REVIEW PRIOR
1591 TO PURCHASING A TIME SHARE INTEREST, INCLUDING THE
1592 DECLARATION OF CONDOMINIUM OR COVENANTS AND
1593 RESTRICTIONS; THE OWNERS' ASSOCIATION ARTICLES AND
1594 BYLAWS; THE CURRENT YEAR'S OPERATING AND RESERVE
1595 BUDGETS; AND ANY RULES AND REGULATIONS AFFECTING
1596 THE USE OF THE TIME SHARE PLAN ACCOMMODATIONS AND
1597 AMENITIES";

1598 (6) The amount of the annual assessment for the time share interest
1599 for the current fiscal year and a statement indicating whether or not ad
1600 valorem real property taxes are included in the annual assessment;

1601 (7) If ad valorem real property taxes are not included in the annual
1602 assessment, the amount of ad valorem real property taxes for the
1603 current fiscal year;

1604 (8) Whether all assessments against the time share interest are paid
1605 in full, and if not, the amount owed, and the consequences of failure to
1606 pay any assessment or real property taxes; and

1607 (9) Any other information required to be disclosed pursuant to
1608 regulations adopted by the commissioner.

1609 Sec. 30. (NEW) (*Effective October 1, 2008*) (a) An agreement for a time
1610 share resale entered into by a time share owner and a time share resale
1611 broker who offers to resell a time share interest shall:

1612 (1) Be in writing; and

1613 (2) Contain disclosures in conspicuous type that set forth:

1614 (A) Whether any person other than the time share owner may use
1615 the time share interest during the period before the time share is
1616 resold;

1617 (B) Whether any person other than the time share owner may rent
1618 or exchange the use of the time share interest during the period before
1619 the time share is resold;

1620 (C) The name of any person who will receive any rents, profits or
1621 other consideration generated from the use of the time share interest
1622 during the period before the time share interest is resold;

1623 (D) A detailed description of any relationship between the person
1624 who resells the time share interest and any other person who receives
1625 any benefit from the use of the time share interest;

1626 (E) A description, including the amount, of any fee to be paid by the
1627 time share owner to the time share resale broker prior to the sale of the
1628 time share interest. If any such fee is charged by the time share resale

1629 broker prior to the sale of the time share interest, a statement shall be
1630 included disclosing (i) the number of time share interests sold by the
1631 time share resale broker compared to the number of time share
1632 interests listed by the time share resale broker for each of the past three
1633 years, or (ii) the ratio or percentage of the number of listings versus the
1634 number of time share interests sold for each of the past three years;

1635 (F) A description of the amount or percentage and procedures for
1636 paying any commissions due to the time share resale broker upon
1637 resale of the time share interest; and

1638 (G) Whether or not the time share resale broker holds a real estate
1639 license, and (i) if licensed, state the name, address and telephone
1640 number of the state agency which issued the real estate license, or (ii) if
1641 not licensed, provide the following disclosure:

1642 "WARNING: THIS TIME SHARE RESALE BROKER DOES NOT
1643 HAVE A REAL ESTATE LICENSE AND CANNOT PERFORM MANY
1644 OF THE DUTIES AND SERVICES WHICH MAY ONLY BE
1645 CONDUCTED BY REAL ESTATE LICENSEES. SUCH DUTIES AND
1646 SERVICES PERMITTED ONLY TO THOSE HOLDING A REAL
1647 ESTATE LICENSE TYPICALLY INCLUDE LISTING, NEGOTIATING
1648 FOR PURCHASE OR SALE, BUYING, OFFERING FOR SALE,
1649 SELLING, RENTING, AND EXCHANGING, AMONG OTHER
1650 ACTIONS RESERVED TO LICENSEES BY STATE LAWS."

1651 (b) Notwithstanding the provisions of sections 1 to 30, inclusive, of
1652 this act, any time share property located within this state and properly
1653 registered with the department on December 31, 2007, shall be exempt
1654 from the provisions of said sections, and shall be subject to the general
1655 statutes and the regulations of Connecticut state agencies as existed on
1656 said date.

1657 Sec. 31. (NEW) (*Effective October 1, 2008*) The provisions of sections
1658 20-325l and 20-329a to 20-329n, inclusive, of the general statutes shall
1659 not apply to time share properties.

1660 Sec. 32. (*Effective October 1, 2008*) Sections 42-103w to 42-103bb,
1661 inclusive, of the general statutes are repealed.

| | | |
|---|------------------------|------------------|
| This act shall take effect as follows and shall amend the following sections: | | |
| Section 1 | <i>October 1, 2008</i> | New section |
| Sec. 2 | <i>October 1, 2008</i> | New section |
| Sec. 3 | <i>October 1, 2008</i> | New section |
| Sec. 4 | <i>October 1, 2008</i> | New section |
| Sec. 5 | <i>October 1, 2008</i> | New section |
| Sec. 6 | <i>October 1, 2008</i> | New section |
| Sec. 7 | <i>October 1, 2008</i> | New section |
| Sec. 8 | <i>October 1, 2008</i> | New section |
| Sec. 9 | <i>October 1, 2008</i> | New section |
| Sec. 10 | <i>October 1, 2008</i> | New section |
| Sec. 11 | <i>October 1, 2008</i> | New section |
| Sec. 12 | <i>October 1, 2008</i> | New section |
| Sec. 13 | <i>October 1, 2008</i> | New section |
| Sec. 14 | <i>October 1, 2008</i> | New section |
| Sec. 15 | <i>October 1, 2008</i> | New section |
| Sec. 16 | <i>October 1, 2008</i> | New section |
| Sec. 17 | <i>October 1, 2008</i> | New section |
| Sec. 18 | <i>October 1, 2008</i> | New section |
| Sec. 19 | <i>October 1, 2008</i> | New section |
| Sec. 20 | <i>October 1, 2008</i> | New section |
| Sec. 21 | <i>October 1, 2008</i> | New section |
| Sec. 22 | <i>October 1, 2008</i> | New section |
| Sec. 23 | <i>October 1, 2008</i> | New section |
| Sec. 24 | <i>October 1, 2008</i> | New section |
| Sec. 25 | <i>October 1, 2008</i> | New section |
| Sec. 26 | <i>October 1, 2008</i> | New section |
| Sec. 27 | <i>October 1, 2008</i> | New section |
| Sec. 28 | <i>October 1, 2008</i> | New section |
| Sec. 29 | <i>October 1, 2008</i> | New section |
| Sec. 30 | <i>October 1, 2008</i> | New section |
| Sec. 31 | <i>October 1, 2008</i> | New section |
| Sec. 32 | <i>October 1, 2008</i> | Repealer section |

Statement of Purpose:

To reduce paperwork and streamline the process for the Department of Consumer Protection to approve time shares for sale to Connecticut residents.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]